

## Message Text

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ORIGIN EB-07

INFO OCT-01 EUR-12 EA-06 IO-10 ISO-00 TRSE-00 STR-04

COME-00 L-03 H-02 FTC-01 TAR-01 CIAE-00 INR-07

NSAE-00 PRS-01 SS-15 NSC-05 SSO-00 NSCE-00 INRE-00

USIE-00 /075 R

DRAFTED BY EB/OT/STA:MCJONES:CLJ

APPROVED BY EB/ITP:MWGLITMAN

TREASURY:PSUCHMAN

STR:HLAWRENCE(INFO)

EUR/RPE:AALBRECHT

EUR/NE:NACHILLES

EA/J:DSMITH

EUR/CAN:MR. BLAKEMORE

EB/OT/STA:WCLARK

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O 072227Z AUG 75

FM SECSTATE WASHDC

TO AMEMBASSY TOKYO IMMEDIATE

AMEMBASSY OTTAWA IMMEDIATE

AMEMBASSY BONN IMMEDIATE

AMEMBASSY LONDON IMMEDIATE

AMEMBASSY ROME IMMEDIATE

AMEMBASSY STOCKHOLM IMMEDIATE

AMEMBASSY PARIS IMMEDIATE

AMEMBASSY BRUSSELS IMMEDIATE

USMISSION EC BRUSSELS IMMEDIATE

INFO USMISSION GENEVA IMMEDIATE

USMISSION OECD PARIS IMMEDIATE

USDEL MTN GENEVA IMMEDIATE

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E.O. 11652: ADS, DECLAS 8/8/75

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TAGS: ETRD, JA, CA, SW, BE, FR, IT, GW, UK

SUBJECT: ANTIDUMPING PROCEEDINGS: AUTOMOBILE IMPORTS FROM JAPAN, CANADA, SWEDEN, BELGIUM, FRANCE, ITALY, GERMANY AND U.K.

1. TREASURY WILL PUBLISH IN FEDERAL REGISTER OF AUGUST 11, NOTICE OF ANTIDUMPING PROCEEDINGS CONCERNING AUTOMOBILE IMPORTS FROM JAPAN, CANADA, SWEDEN, BELGIUM, FRANCE, ITALY, GERMANY AND THE U.K.

2. EMBASSIES ARE BEING INFORMED EARLY AM AUGUST 8. PRESS RELEASE WILL BE ISSUED AT 10:30 AM AUGUST 8 IN CONJUNCTION WITH PRESS CONFERENCE. FOLLOWING IS TEXT OF PRESS RELEASE: BEGIN TEXT: TREASURY INITIATES INVESTIGATION INTO ALLEGED

DUMPING OF IMPORTED AUTOMOBILES.

ASSISTANT SECRETARY OF THE TREASURY DAVID R. MACDONALD ANNOUNCED TODAY THAT THE TREASURY DEPARTMENT IS INITIATING A FORMAL INVESTIGATION INTO ALLEGATIONS THAT IMPORTED AUTOMOBILES ARE BEING QTE DUMPED UNQTE ON THE US MARKET IN VIOLATION OF THE ANTIDUMPING ACT OF 1921. THE INVESTIGATION INVOLVING AUTOMOBILES FROM WEST GERMANY, THE UNITED KINGDOM, FRANCE, BELGIUM, ITALY, SWEDEN, JAPAN, AND CANADA

WILL BE CONDUCTED BY THE US CUSTOMS SERVICE TO DETERMINE WHETHER IMPORTS FROM THESE COUNTRIES ARE BEING SOLD IN THE UNITED STATES AT PRICES BELOW THE PRICES CHARGED FOR THE SAME PRODUCTS IN THE INDIVIDUAL HOME MARKETS.

AT THE SAME TIME, MR. MACDONALD ANNOUNCED THAT THE TREASURY DEPARTMENT HAD REQUESTED THE US INTERNATIONAL TRADE COMMISSION TO CONDUCT A PRELIMINARY INQUIRY TO DETERMINE WHETHER, BASED ON THE INFORMATION CURRENTLY AVAILABLE, THERE IS ANYREASONABLE INDICATION THAT THE US INDUSTRY IS BEING OR IS LIKELY TO BE INJURED BY REASON OF THESE AUTOMOBILE IMPORTS. THE USITC WILL HAVE 30 DAYS WITHIN WHICH TO CONDUCT AN INQUIRY. IF THEY FIND THAT THERE IS NO SUCH REASONABLE INDICATION THE CUSTOMS INVESTIGATION WILL BE TERMINATED. MR. MACDONALD EXPLAINED LIMITED OFFICIAL USE

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THAT REFERRAL OF THE MATTER BY THE TREASURY TO THE USITC AT THE PRELIMINARY STAGE OF THE PROCEEDINGS IS A NEW PROCEDURE AUTHORIZED BY THE TRADE ACT OF 1974. HE SAID THAT RECENT STATEMENTS BY SPOKESMEN FOR THE DOMESTIC AUTO INDUSTRY, MINIMIZING THE IMPACT OF AUTO IMPORTS ON THE CURRENT CONDITION OF THE US INDUSTRY, HAD RAISED SUBSTANTIAL DOUBT THAT THERE IS A LINK BETWEEN THE ALLEGEDLY DUMPED IMPORTS AND THE DEPRESSED STATE OF THE

INDUSTRY, AS IS REQUIRED BY THE LAW.

THE DECISION TO INITIATE THE INVESTIGATION SHOULD NOT BE VIEWED AS A DETERMINATION THAT DUMPING EXISTS, MR. MACDONALD EMPHASIZED. THE TREASURY ACTION ONLY MEANS THAT A SUFFICIENT AMOUNT OF INFORMATION HAS BEEN RECEIVED TO WARRANT FURTHER, IN-DEPTH INQUIRY CONCERNING WHETHER FOREIGN AUTOS ARE BEING SOLD IN THIS COUNTRY AT QTE LESS THAN FAIR VALUE UNQTE. THE TREASURY MUST MAKE A TENTATIVE DECISION BY FEBRUARY 7, 1976, UNLESS COMPLEXITIES IN THE CASE REQUIRE AN EXTENSION OF UP TO 3 MONTHS. IF A DETERMINATION IS MADE THAT THE IMPORTS ARE BEING SOLD AT QTE LESS THAN FAIR VALUE UNQTE, THE CASE WILL BE REFERRED TO THE US INTERNATIONAL TRADE COMMISSION FOR A FULL SCALE INVESTIGATION, CONCERNING WHETHER OR NOT THE US INDUSTRY IS BEING OR IS LIKELY TO BE INJURED BY SUCH IMPORTS. IF THE USITC FINDS ACTUAL OR LIKELY INJURY, SPECIAL DUMPING DUTIES WOULD BE ASSESSED ON AN ENTRY-BY-ENTRY BASIS TO ELIMINATE ANY PRICE DISCRIMINATION.

MR. MACDONALD ADDED THAT, CONTRARY TO RECENTLY REPORTED STATEMENTS FROM ABROAD, THE ACTION ANNOUNCED TODAY (1) IS REQUIRED BY LAW IN THE EVENT A VALID COMPLAINT IS

FILED WITH THE TREASURY DEPARTMENT, (2) IS FULLY CONSISTENT WITH THE INTERNATIONAL OBLIGATIONS OF THE US, AND (3) IN NO WAY INDICATES A DECISION BY THE ADMINISTRATION TO PURSUE A QTE PROTECTIONIST UNQTE INTERNATIONAL TRADE POLICY. US PROCEDURES UNDER THE ANTIDUMPING ACT, WHICH DATES FROM 1921, ARE WELL ESTABLISHED, CIRCUMSCRIBED BY EXTENSIVE REGULATIONS, AND IN CONFORMITY WITH THE INTERNATIONAL ANTI-DUMPING CODE. END TEXT.

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3. TREASURY INVESTIGATION WILL FOLLOW NORMAL PROCEDURES IN SUCH CASES AND CUSTOMS REPRESENTATIVES IN COUNTRIES CONCERNED WILL BE SEEING FIRMS INVOLVED TO DEVELOP NECESSARY DATA.

4. ABOVE FOR EMBASSY USE IN RESPONDING TO INQUIRIES ON/AFTER 9 A.M. EST AUGUST 8. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ANTIDUMPING LAW (TRADE), AUTOMOBILES, INVESTIGATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 07 AUG 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** greeneet  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
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**Disposition Remarks:**  
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**Errors:** N/A  
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**Original Previous Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** greeneet  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 21 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
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**TAGS:** ETRD, JA, CA, SW, BE, FR, IT, GE, UK  
**To:** TOKYO MULTIPLE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006